

**DISCRETIONARY POWERS UNDER THE LOCAL GOVERNMENT
PENSION SCHEME REGULATIONS 1997 POLICY**

1. **Introduction**

The following statement set out the policy of Filton College regarding the exercise of its discretion under regulation 31 and matters in Part III of the Local Government Pension Scheme Regulations 1997.

2. This policy was made on May 1998. The date for the next review will be May 2000.

3. **Regulation 31 - Early Payment of Pensions**

- 3.1 Any employee between the ages of 50 and 60 who leaves employment may apply to the College for the early release of their pension. It is for the College to decide this.

Where the sum of the employee's age and service is 85 or more, pension benefits are paid without actuarial reduction. In other cases, benefits will be reduced unless the College decides to waive the reduction on compassionate grounds.

Policy

- 3.2 The College will give full consideration to requests but recognises it may not be possible to give consent either immediately or at all. It will take into account reasons raised by individuals and also the needs of the College.
- 3.3 Applications for early release of benefits for employees between 50 and 60 will be accepted only in cases where it is demonstrated to be in the College's best interest; for example in restructuring situations where a better skills mix is required.
- 3.4 Where applications are made on compassionate grounds, the College will consider, in the light of its financial situation and current staffing needs, whether it is possible to agree to early pension release.

3.5 **Regulation 52 - Augmentation of Pensions**

The College has the discretion to augment an employee's pension on leaving by up to $6\frac{2}{3}$ years.

Policy

Augmentation of pensions will be costly for the College and will generally only be of benefit to the individual. Any such augmentation must be financed by an 'up front' capital payment to the fund. It is therefore unlikely to agree to augmentation.

- 3.6 Consideration will be given to requests for pension augmentation in exceptional appropriate circumstances only and the College will review the merits of any case that arises. Factors that will be taken into account will include whether it will be in the College's best interest to release a member of staff early with additional pension benefits in addition to general factors outlined in 4.1

3.7 **Regulation 53 - Granting of Additional Membership**

The College may grant additional service to staff under the age of 59 within six months of starting employment. Granting added years is costly and generally only of benefit to the individual, but the College recognises it may be appropriate in circumstances where a member is losing pension rights elsewhere as a result of taking up employment with the College.

Policy

- 3.8 The College will not make general use of its discretion to grant and find additional service but may consider its use in exceptional cases. Factors that will be taken into account will include whether the College is experiencing difficulties in recruiting staff with scarce skills or whether a potential employee may be disadvantaged in pension terms by transferring to the Local Government scheme, in addition to the general factors outlined in 4.1.

3.9 **Regulations 67, 68 and 69 - Share Cost AVC Scheme**

The College may establish a Shared Cost Additional Voluntary Contribution Scheme and has the discretion to accept or not an individual who applies to participate.

Policy

- 3.10 In view of the cost of contributing to such a scheme, and the ability of employees to take out AVC's under the existing Equitable Life Scheme, the College has decided not to exercise its discretion on this for the time being.

3.11 **Regulation 15 - Reduced level of Contributions**

The College has the discretion to reduce the level of contributions payable by a member when they have at least 40 years membership of the scheme.

Policy

- 3.12 **In view of the small number of cases likely to arise,** the College will give sympathetic consideration to such cases where an employee is unable to accrue additional pensionable service.

3.13 **Additional Provisions - under the New Regulations include:**

Provision of a Widower's pension in respect of service between 1972 and 1988 for married female members. This was previously only available if paid for by the employee. Bath & North East Somerset recommend that Colleges pass a resolution to endorse this provision.

Policy

The College endorses the provision of a widower's pension in these circumstances.

- 3.14 It should be noted that Bath & North East Somerset passed a resolution that spouses' pensions will not be withheld in cases of remarriage or cohabitation.

4. **Procedure**

- 4.1 The final decision on any of the matters set out above rests with the Corporation.

Applications should be made in writing to the Personnel & Training Manager who will consider the matter, and prepare a report to Governors. The report will be considered by Governors at the next Resources Committee, who will take into account the appropriate issues, including:

- The individual's personal circumstances.
- The financial position of the College.
- The need to retain existing staff.
- Any prevailing proposed redundancies or measures required to reduced staffing.
- Any recruitment problems.